

SERVICE AGREEMENT

This SERVICE AGREEMENT (this "Agreement") is entered into as of this 17th day of June, 2014 between smartschoolsplus, inc, an Arizona corporation, d/b/a smartworksplus ("Provider"), and City of Flagstaff ("Entity").

RECITALS

- A. Provider is a corporation engaged in the business of providing professional services, including employee staffing services, to governmental entities;
- B. Provider's employees include qualified full-time classified and exempt employees in good standing;
- C. Entity is a governmental entity within the State of Arizona that requires the services of qualified full-time classified and exempt employees in good standing.
- D. Entity is authorized to enter into this Agreement pursuant to [insert authority for Entity to hire its own employees] Arizona Revised Statute (A.R.S.) § 9-274(A) (1) and (2) and Article One, Section 3 of the Charter of the City of Flagstaff.
- E. City desires to obtain services, as more fully described in Exhibit A, attached hereto ("Services") from Provider and Provider is willing to provide Services to City upon the terms and conditions contained in this Agreement, pursuant to RFP #14-06MP and the associated contract issued by the Strategic Alliance for Volume Expenditures (SAVE) available to District/State Entities.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and intending to be legally bound, Provider and Entity agree as follows:

1. Services. Provider shall provide the Services set forth in this Agreement and in the Scope of Services attached as Exhibit A (collectively, "Services").

2. Provider Employees.

A. Employment Agreement. Provider shall enter, or has previously entered, into employment agreements ("Employment Agreements"), substantially in the form of Exhibit B, attached hereto, with qualified full-time classified and exempt employees in good standing (collectively, "Provider Employees") to provide Services required by Entity. A roster of Provider Employees, and their daily pay rates, are set forth in Exhibit C. A copy of each Employment Agreement shall be provided to Entity before the Provider Employee reports to work for the Entity. Provider shall (i) take steps to assure that each Provider Employee performs in accordance with his or her Employment Agreement, and (ii) provide general direction, supervision and control of each Provider Employee in the performance of his or her duties, as more fully described in the Scope of Services.

B. Payroll. Provider, and not Entity, shall be solely responsible for administrative employment matters regarding Provider Employees including, but not limited to, all payroll and payroll income tax withholding matters, payment of workers' compensation premiums and funding of appropriate fringe benefit programs. Provider agrees to hold harmless Entity for failure to remit to the appropriate governmental authority any and all taxes, assessments or governmental charges in connection with its employment of Provider Employees. Entity shall immediately forward to Provider any garnishment orders, involuntary deduction orders, notices of IRS liens and other forms of legal process received by Entity affecting payment of wages to Provider Employees and shall cooperate with Provider in responding thereto.

C. Health and Safety. Provider shall, and shall require Provider's Employees to, comply with all health and safety laws, regulations, ordinances, directives and rules imposed by controlling federal, state or local governments, and shall immediately report all work-related accidents involving the Provider Employee within 24 hours to Entity. Provider shall provide where necessary, and shall require that all Provider Employees use, personal protective equipment as required by federal, state or local law, regulation, ordinance, directive or rule.

D. Compensation of Provider Employees. Provider shall pay Provider Employees in compliance with applicable wage and hour laws including, but not limited to, the Fair Labor Standards Act ("FLSA") and Arizona Labor Code. Provider shall maintain complete and accurate records of all wages paid to a Provider Employee assigned to provide services to Entity. Provider shall be exclusively responsible for, and shall comply with, applicable law governing the reporting and payment of wages, payroll-related taxes and unemployment taxes attributable to wages paid to Provider Employees assigned to provide services to Entity.

E. Legal Arizona Worker's Act. Provider, and not Entity, shall be responsible for compliance with the Legal Arizona Worker's Act (2007), as amended from time to time. Compliance shall include, but not be limited to, verification of employment eligibility for all new employees through the E-Verify program, as defined in A.R.S. § 23-211.

F. Non-Compliance. Entity shall provide the Provider with written notification regarding alleged non-compliance. Non-compliance includes not satisfactorily meeting the requirements outlined in the Agreement, substandard job performance and failure to satisfactorily comply with any rules, guidelines, policies, procedures or regulations promulgated by Provider or Entity. Provider and Provider Employee may have ten (10) days following the receipt of such written notification to cure non-compliance before termination of the Agreement.

G. Termination. Provider or Entity may terminate this Agreement, with respect to any or all of the Provider Employees, without cause or justification of any kind, by providing the other party with written notice of such termination at least 30 days prior to the effective date of termination. Entity and Provider shall each have the right to immediately terminate the service of, and therefore cease to have any obligation with respect to, any particular Provider Employee, upon written notice to the other (or its successor in interest) upon the occurrence of any of the following:

(1) if the Provider Employee: (i) embezzles, steals or misappropriates funds or property of Entity or Provider or defrauds Entity or Provider; (ii) is convicted of a felony or a misdemeanor involving moral turpitude; (iii) has a necessary license or certification revoked or suspended; or (iv) commits an act or omission which constitutes unprofessional conduct or which adversely affects the reputation of Entity or Provider;

(2) the death of the Provider Employee occurring any time during the term of this Agreement, in which event this Agreement (as it relates to that employee) shall terminate as of his or her date of death;

(3) the permanent disability of the Provider Employee occurring at any time during the term of this Agreement. For purposes of the foregoing, a Provider Employee shall be deemed to be permanently disabled if, by reason of any physical or mental condition, the Provider Employee is unable to substantially perform his duties hereunder during either (i) any continuous period of 30 days, in which event this Agreement shall terminate as of the first day following the end of such 30-day period, or (ii) an aggregate of 45 days within a 12-month period, in which event this Agreement shall terminate as of the first day following the 45th such day; (iii) an aggregate of 25 days within a 6-month period, in which event this Agreement shall terminate as of the first day following the 25th such day; (iv) an aggregate of 17 days within a 3-month period, in which event this Agreement shall terminate as of the first day following the 17th such day;

(4) in the event that Provider sells or disposes of all or substantially all of its assets or permanently discontinues operating its business;

(5) in the event that a Provider Employee is unwilling, unable or fails to satisfactorily comply with any rules, guidelines, policies, procedures or regulations promulgated by Provider or Entity for the conduct of Provider Employees during the term of the Provider Employee's Employment Agreement; or

(6) if it is later discovered that a Provider Employee has made any material misrepresentations or has failed to provide any material information in connection with the application for employment that was previously submitted to Provider or with the information furnished to Entity concerning the qualifications of the Provider Employee.

3. Compensation. Entity agrees to compensate Provider for work performed, and reimbursable expenses incurred in the performance thereof, by Provider Employees in accordance with the compensation schedule attached hereto as Exhibit D. Provider shall invoice Entity monthly; invoices shall be due and payable within 15 days after receipt by Entity. The parties acknowledge and agree that Provider Employees shall receive wages solely from Provider. Entity shall not pay any Provider Employee in cash or by any other means for any services rendered by such Provider Employee pursuant to his or her Employment Agreement. Any individual whom Entity pays directly for any services rendered shall not be considered a Provider Employee as to any services for which Entity provides compensation.

4. Responsibilities of Entity. In addition to its payment, and other obligations set forth in this Agreement, Entity shall have the following responsibilities:

A. Supervision; Reporting. Entity shall provide daily monitoring of the Provider Employees and shall report to Provider on an annual basis regarding the Provider Employees' performance of their respective duties.

B. Safety Obligations. Entity shall take steps to assure a safe workplace for Provider Employees, shall supply documentation related to safety activities as prescribed by law (e.g., safety meeting, training, maintaining OSHA log), shall include Provider Employees in any specific safety training that Entity offers or requires for its own personnel in the same or similar positions, and shall inform Provider of any necessary protective equipment that Provider Employees must use in the performance of services for Entity. Provider or its workers' compensation carrier has the right to inspect Entity's premises and operation, but is not obligated to conduct any inspections. Provider reserves the right to audit safety activities. Provider or its insurer shall give reports to Entity on the conditions found at Entity's worksites. Neither Provider's insurer nor Provider warrants the result of the inspections or the absence thereof, or that the operations or premises are in compliance with any laws, regulations, codes or standards.

5. Term. The term of this Agreement shall commence as of July 1, 2014 and shall end on June 30, 2015, unless earlier terminated pursuant to the provisions hereof, and may be renewed annually for three (3) additional fiscal years unless terminated pursuant to the provisions hereof. Entity acknowledges and agrees that prior to any renewal; the Exhibits will be adjusted to account for changes in the duties, responsibilities and wages for Provider Employees. Provider shall provide revised copies of the Exhibits to Entity at least thirty (30) days prior to the end of the then-current term.

6. Insurance.

A. Worker's Compensation.

(1) Except as otherwise provided in this Agreement, Provider shall be considered the "employer" of all Provider Employees for the purposes of providing workers' compensation insurance within the meaning of A.R.S. § 23-901. Provider shall provide workers' compensation and employer's liability insurance in accordance with the statutory requirement of the State of Arizona, including Employer's Liability insurance with limits of liability of not less than \$500,000 for each accident and \$500,000 for bodily injury or disease. The workers' compensation policy shall be endorsed to include the Alternate Employer Endorsement and shall include a waiver of subrogation in favor of Entity from the workers' compensation insurer. Provider shall, upon Entity's request, upon termination of this Agreement, provide to Entity records regarding the loss experience for workers' compensation insurance provided to Provider Employees pursuant to this Agreement.

(2) Entity and Provider understand, agree and acknowledge that no individual shall be covered by Provider's workers' compensation insurance, or be issued a payroll check unless prior to commencing work for Entity that individual satisfies the following requirements: (a) is employed by Provider in Arizona to work in Arizona; (b) is performing Services for Entity pursuant to this Agreement; (c) is listed on Provider's roster of Provider Employees in Exhibit C; (d) has completed Provider's required enrollment forms and, where applicable, is certified or licensed as required by law for the position in which employed by Provider; (e) has completed necessary criminal background checks, including fingerprinting; (f) has entered into an Employment Agreement with Provider; (g) has provided all data required by Provider for payroll processing and workers' compensation coverage; and (h) has been entered onto Provider's payroll system.

(3) Entity understands, agrees and acknowledges that the workers' compensation insurance that Provider shall provide under this Agreement shall only cover individuals who are listed on Provider's roster of Provider Employees in Exhibit C, and shall not cover other individuals who might perform services for Entity, whether as employees, independent contractors or otherwise. Entity agrees to provide workers' compensation insurance or maintain a program of approved self-insurance covering Entity's own employees.

B. Other Insurance.

Provider shall procure and maintain insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the Services by Provider and by Provider Employees.

MINIMUM SCOPE AND LIMITS OF INSURANCE: Provider shall provide coverage with limits of liability not less than those stated below.

(a) Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

General Aggregate	\$ 2,000,000
Products – Completed Operations Aggregate	\$ 1,000,000
Personal and Advertising Injury	\$ 1,000,000
Blanket Contractual Liability – Written and Oral	\$ 1,000,000
Fire Legal Liability	\$ 50,000
Each Occurrence	\$ 1,000,000

(b) Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Agreement.

Combined Single Limit (CSL)	\$1,000,000
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(c) Professional Liability (Errors and Omissions Liability)

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

(d) Provider shall provide unemployment insurance coverage to the extent required by law.

Entity shall be added as an additional insured to the CGL policy. The CGL Policy, Automobile Liability Policy and Professional Liability Policy shall each be primary and payable prior to any payment under any other insurance or self-insurance provided or maintained by the Entity, and shall be written to provide that each policy may not be canceled without thirty (30) days prior written notice to Entity.

C. Medical Insurance.

Provider shall make available to Provider Employees medical coverage that is affordable, provides minimum value, and meets the requirements of minimum essential coverage, as those terms are defined for purposes of the Affordable Care Act ("Medical Insurance"). The Provider Employee portion of the premium for the Medical Insurance will not exceed 9.5% of the Provider Employee's W-2 wages, as reflected in Box 1 of the W-2 form. Entity shall reimburse Provider for Provider's out-of-pocket costs for the Medical Insurance in excess of the portion of the premium paid by Provider Employees who elected to accept the Medical Insurance.

7. Independent Contractor. The relationship created by this Agreement shall be deemed and construed to be, and shall be, that of principal and independent contractor. Provider has no authority to enter into any contract or incur any liability on behalf of Entity. Provider's employees are not intended to be and shall not be considered employees of Entity. Except as otherwise provided in this Agreement, Provider retains full control over the employment, direction, supervision, compensation, discipline and discharge of all persons performing Services under this Agreement.

8. Non-Exclusive Use. Provider acknowledges and agrees that Entity may enter into agreements with other provider organizations to supply services to Entity and that Provider is not the exclusive organization with which Entity may contract to provide services.

9. Notice. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when hand delivered to the party addressed or upon the date noted upon the receipt for registered or certified mail, first class postage prepaid, return receipt requested, addressed as set forth below:

If to Provider:	smartworksuplus P.O. Box 11618 Tempe, AZ 85284-0027
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With a copy to:	Perkins Coie Brown & Bain P.A. 2901 N. Central Ave., Suite 2000 Phoenix, AZ 85012 Attention: Judith K. Weiss, Esq.
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If to Entity: City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

With a copy to: City Attorney
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

Either party may alter the address or addresses to which communications or copies are to be sent to such party by giving notice of such change of address in conformity with the provisions of this Section 9.

10. Binding Nature of Agreement; Assignment and Nominee. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

11. Entire Agreement. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified or amended other than by a writing signed by both parties.

12. Waiver. The failure or delay on the part of any party to exercise any right, remedy, power or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such rights, remedies, powers or privileges with respect to any other occurrence.

13. Costs and Expenses. Each party hereto shall bear its own costs, including attorneys' fees and accounting fees, incurred in connection with the negotiation, drafting and consummation of this Agreement and the transactions contemplated hereby, and all matters incident thereto.

14. Headings. All sections and descriptive headings of sections and subsections in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

15. Construction; Interpretation. This Agreement is intended to express the mutual intent of the parties hereto and thereto, and irrespective of the identity of the party preparing any such document, no rule of strict construction shall be applied against any party. In this Agreement, the singular includes the plural, and the plural the singular; words imparting either gender include the other gender; references to "writing" include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words "including," "includes" and "include" shall be deemed to be followed by the words "but not limited to." The term "person" shall include an individual, corporation, joint venture, partnership, trust, estate, association, governmental entity or any other entity.

16. Exhibits and Recitals. All Exhibits referred to herein and the Recitals made and stated hereinabove are hereby incorporated by reference into, and made a part of, this Agreement.

17. Materiality. All covenants, agreements, representations and warranties made herein shall be deemed to be material and to have been relied on by the parties in entering into this Agreement and shall survive the execution and delivery of this Agreement.

18. Governing Law; Forum; Venue. This Agreement is executed and delivered in the State of Arizona, and the substantive laws of the State of Arizona (without reference to choice of law principles) shall govern its interpretation and enforcement. Any action brought to interpret or enforce any provisions of this Agreement, or otherwise relating to or arising from this Agreement, shall be commenced and maintained (i) if applicable, in accordance with the procedures established by the Entity for the resolution of contracts claims and controversies, or, if such procedures are not applicable, then (ii) in a federal, state or local court located within Coconino County, Arizona.

19. Knowing Covenants. The parties hereby represent to each other that the covenants and agreements provided for in this Agreement have been knowingly and voluntarily granted after thorough consultation with counsel as to the binding effect thereof. Based upon consultation with counsel, the parties hereby represent and warrant to each other that this Agreement is binding and enforceable in accordance with its terms.

20. Indemnification. Provider shall indemnify, defend and hold harmless Entity, its mayor and council members, officers, directors, employees, insurers, indemnitors and agents (hereinafter referred to as "Indemnitee") for, from and against all suits, claims, actions, liabilities, damages, losses, expenses and debt, including court costs, attorneys' fees, and costs of claim processing, investigation and litigation (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property, or any other claim or loss of any kind incurred by Indemnitees or any of them arising from, attributable to or caused or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Provider or any of its owners, officers, directors, shareholders, or agents) or any Provider Employee in the performance of or related to the performance of the duties of Provider or of any Provider Employee as described in the Employment Agreement (including, but not limited to injuries to Provider Employees that may or may not be covered by workers compensation insurance). This indemnity includes any claim or amount arising out of or recovered under Workers' Compensation Law or arising out of failure of such Provider or Provider Employee to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitees shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitees, be indemnified by Provider from and against any and all claims. It is agreed that Provider shall be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Provider shall waive all rights of subrogation against the Indemnitees and each of them for losses arising from the work performed by Provider or by any Provider Employee for the Entity.

21. Conflict of Interest. The parties expressly acknowledge that Entity has the option of canceling this contract within three years from the date of execution without any further penalty or obligation pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Entity is at any time during the term or any extension thereof, an employee or agent of Provider or a consultant to Provider. Provider acknowledges the potential for a current Entity employee to become a Provider Employee and recognizes the applicability of A.R.S. § 38-511.

22. Scrutinized Business Operations. Pursuant to A.R.S. Sections 35-391.06 and 35-393.06, the Provider certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section, the term "scrutinized business operation" shall have the meaning set forth in Sections 35-391.06 or 35-393.06 as the case may be. If the Entity determines that the Provider submitted a false certification the Entity may impose remedies as provided by law including cancellation or termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and date first above written and effective as of the date hereinabove stated.

"Provider"

smartschoolsplus, inc.
an Arizona corporation, d/b/a smartworksplus

"Entity"

City of Flagstaff

By: Sandra McClelland
Its: President

By: Jerry Nabours
Its: Mayor

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

ATTORNEY

EXHIBIT A

Scope of Services

The following Services shall be performed by smartschoolsplus, inc. [d/b/a smartworksplus] in fulfillment of its obligations under the terms of the Agreement.

1. Provider shall recruit, hire, train, evaluate and supervise Provider Employees who are professionally and technically qualified to perform the duties of full-time classified and exempt employees and shall discipline and terminate Provider Employees, as appropriate, including the following:

a. maintaining a recruiting and hiring program that is in compliance with federal and state laws, rules and regulations, equal opportunity and anti-discrimination policies applicable to, and restricting, the hiring and selection process, including, but not limited to, Title VII of the Civil Rights Act of 1964 ("Title VII"), the Americans With Disabilities Act ("ADA"), the Age Discrimination in Employment Act ("ADEA"), the Fair Credit Reporting Act ("FCRA") and the Arizona Employment Protection Act ("AEPA");

b. maintaining a system of statewide personal background checks on all Provider Employees provided to Entity to include statewide criminal background check and fingerprinting. Provider shall ensure that all Provider Employees possess all licenses, certifications and qualifications necessary to enable them to perform their assignments and that Provider Employees have satisfied any legal prerequisites to the performance of their assignments;

c. maintaining a system of performance evaluation in accordance with the Entity's evaluation standards supplemented by Provider standards for each Provider Employee, and provides copies of completed evaluations to Entity;

d. maintaining a program of supervision that enforces the policies and procedures of Entity. In order to maintain the program, Provider shall designate one or more on-site staff as the supervisor and/or Provider contact who shall be responsible for addressing and responding to Provider Employees. The designated on-site supervisor and/or Provider contact shall be trained by Provider in regard to: (i) applicable workers' compensation laws; (ii) applicable equal employment opportunity laws, regulations and policies, including reporting procedures; and (iii) workplace violence prevention, including the detection of early warning signs of violence and the proper reporting of threats and acts of violence. The supervisor and/or Provider contact shall promptly notify Entity of any human-resource-type issue raised by a Provider Employee that may affect Entity, such as threats of violence, harassment, discrimination or retaliation;

e. providing each Provider Employee information regarding his or her obligation to comply with all of Entity's safety, drug/alcohol, work policies, anti-harassment, anti-discrimination and anti-retaliation policies. Provider shall establish a complaint and/or reporting procedure for violations of policies and instruct Provider Employees on the use of the procedure. Provider shall obtain written acknowledgement from the Provider Employee that he or she has read, understood and agrees to abide by those policies and procedures;

f. providing annual harassment, discrimination, retaliation training for all Provider Employees, or ensure Provider Employees participate in similar training provided by Entity. Provider shall maintain a record of all such training; and

g. preparing and distributing an Employee Handbook to Provider Employees that identifies and explains Provider's policies and procedures that are to be followed during the course of the Provider Employees' employment with Provider.

2. Provider shall inform the Provider Employee in writing that he or she is employed by Provider, not Entity.

3. Provider shall inform the Provider Employee in writing that job related illness/injury reports are to be made to the supervisor or Provider contact and provide information on where and how reports are to be made to Provider contact.

4. Provider shall notify Provider Employees in writing that the only benefits they shall receive shall be from Provider, and that they are not entitled to any benefits from Entity.

5. Provider shall be responsible for the quality, adequacy and safety of the Services provided by Provider Employees pursuant to this Agreement, and the acts, errors or omissions of Provider Employees at all times.

EXHIBIT B

Form of Employment Agreement

See Exhibit B Sample

EXHIBIT C

Roster of Provider Employees and Fee Schedule

The Roster is maintained by Human Resources and approved by the City Manager.

See Exhibit C Sample

EXHIBIT D

Provider Compensation Schedule

Compensation: Provider compensation is computed based on the number of days Provider Employees work during a designated month, multiplied by their Daily Rate of Pay set forth in Exhibit C. Provider shall invoice Entity monthly (i) at agreed-upon offered contractual salary equal to 75% of Provider Employee's exit salary for Provider Employees that previously worked at Entity, or (ii) at agreed-upon offered contractual salary for Provider Employees that did not previously work at Entity.

Additional Compensation: Entity shall pay Provider for Provider Employees that have qualified for additional compensation authorized in advance and approved in writing by Entity. Provider shall invoice Entity, for agreed-upon additional compensation for Provider Employees. The method and timing of payment of such additional compensation shall be in accordance with the performance of such service.

Service Fee/Direct Payroll Costs: In addition to the payments for work performed and additional compensation, Entity shall pay Provider a service fee equal to four percent (4%) of Provider Employee's exit salary and all applicable direct payroll costs (e.g., Social Security, FICA & Medicare, AZ Unemployment, Federal Unemployment, Workers' Compensation (professional/staff)).

Reimbursement:

(a) Entity shall reimburse Provider for mileage, travel, conferences and other out-of-pocket expenses incurred by Provider Employees, but only if such expenses are approved (prior to the expense being incurred) by the Provider and Entity. To obtain such reimbursement, Provider Employees must submit a written claim for reimbursement to Entity. Entity shall forward the claim to Provider. Provider shall reimburse the Provider Employee and include the amount of the reimbursement on Provider's invoice to Entity.

(b) Entity will reimburse Provider for Provider's out-of-pocket costs to provide Medical Insurance coverage to Provider Employees pursuant to Section 5(c) of this Agreement.

Discretionary Leave Days: Entity shall provide Provider Employees with vacation, sick and paid holidays. The vacation will be earned at one tier below the Provider Employee's exit number of days. Sick leave will be earned at the same rate as other employees. The holiday schedule will be the same as the other personnel in the same classification. All vacation, sick and holiday leave will be prorated based on the length of the Provider Employee's Agreement. In the event a Provider Employee exceeds the discretionary leave days, the Provider will invoice the Entity less the daily rate of pay per Provider Employee absence for each day missed.

Electronic Access: Entity shall provide each Provider Employee access to electronic and technological tools allowing for participation and function of normal Entity duties (e.g., Kronos, computer hardware and software, e-mail, internet, cell phones, etc.). Provider Employees shall be responsible for all taxes incurred as the result of personal use of the Entity's property such as cell phones. Provider Employees agree to follow all Entity guidelines and policies regarding use of the same.

MVD Annual Report: Entity shall provide an annual MVD report for each Provider Employee at the time of each annual performance evaluation.